

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA**

In re: USA Gymnastics

Case No. 18-09108

Reporting Period: 01/01/19 - 01/31/19

MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Debtor Statement
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a			X
Schedule of Professional Fees Paid	MOR-1b	X		
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Post Petition Taxes				X
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of Aged Accounts Payable	MOR-4a	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-6	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that the information contained in this monthly operating report (including attached supporting documentation) is true and correct to the best of my knowledge, information and belief.

/s/ James Scott Shollenbarger

Signature of Debtor
James Scott Shollenbarger
Chief Financial Officer

February 18, 2019

Date

Note:

The last four digits of the Debtor's federal tax identification number are 7871. The location of the Debtor's principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information herein is unaudited and subject to future adjustment. Certain assumptions have been made as noted herein.

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GENERAL NOTES

The financial statements and supplemental information contained herein are unaudited, preliminary, and may not comply with generally accepted accounting principles ("GAAP") in all material respects. In addition, the financial statements and supplemental information contained herein is provided to fulfill the requirements of the Office of the United States Trustee and have been derived from the books and records of the Debtor existing at the time the Debtor filed its respective petition for relief under chapter 11 of the Bankruptcy Code or based on records. The Debtor cannot guarantee the reliability of the information contained in the general ledgers and other books and records that were prepared by their former management. Further, the amounts included herein may differ materially from the amounts set forth in any of the Debtors' Schedules of Assets and Liabilities and/or the Debtor's Statement of Financial Affairs as current management has since had time to reconcile certain information in the Debtor's books and records.

The Debtor is reporting preliminary financial information that may be subject to substantial and material revision based upon further review, year-end analysis and/or tax return adjustments.

The Debtor is utilizing internally generated financial statements and attached them to the applicable MOR forms filed with the United States Bankruptcy Court. As a result, the applicable Balance Sheet balances are reported for the entire month and does not include the balances as of the petition date, and the applicable Income Statement includes "month-to-date" and "year-to-date" information, as opposed to information covering the Petition Date through the last date of the applicable month.

The Internal Revenue Service has ruled that both the Organization and Foundation qualify under Section 501(c)(3) of the Internal Revenue Code and are, therefore, generally not subject to income taxation under present income tax laws. Payroll taxes are inclusive of the amount collected by Paychex and can be made available by request.

Insurance Receivables and Contingent Liability are recorded in accordance with the 2016 Audited Financial Statements.

Certain insurance prepetition premiums were outstanding as of December 31, 2018. An Order was entered on January 19, 2019 authorizing payment of these obligations. Pursuant to that Order, such premiums were paid in January 2019.

The Debtor reserves the right to amend or supplement the information contained in this report.

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**MOR-1
RECEIPTS & DISBURSEMENTS REPORT**

	PNC Bank Acct #7647	PNC Bank Acct #8792	PNC Bank Acct #0228	PNC Bank Acct #2009	PNC Bank Acct #3829	Total
Beginning Book Cash						
Opening Book Balance	3,248,387.84	4,349.31	38,676.64	399,993.27	0.00	3,691,407.06
RECEIPTS						
Sales / Receipts	516,476.91	0.00	28,521.60	0.00	0.00	544,998.51
Merchandise (Transfer)	43,856.78	0.00	0.00	0.00	0.00	43,856.78
Other	73,056.96	3.68	29.10	0.00	0.00	73,089.74
Pcard Annual Rebate	43,524.89	0.00	0.00	0.00	0.00	43,524.89
TOTAL RECEIPTS	676,915.54	3.68	28,550.70	0.00	0.00	705,469.92
DISBURSEMENTS						
Athlete Support	25,360.24	0.00	0.00	0.00	0.00	25,360.24
Bank Charges/Fees	8,942.53	0.00	3,138.42	0.00	0.00	12,080.95
Computer Related Expenses	12,436.28	0.00	0.00	0.00	0.00	12,436.28
Contract Labor	131,390.91	0.00	0.00	0.00	0.00	131,390.91
Dues/Subscriptions	2,978.62	0.00	0.00	0.00	0.00	2,978.62
Employee Retirement Plan Funding	25,493.24	0.00	0.00	0.00	0.00	25,493.24
Event Related Expenses	51,842.35	0.00	0.00	0.00	0.00	51,842.35
Expenses Paid on Behalf of State/Region	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	357,266.82	0.00	0.00	0.00	0.00	357,266.82
Inventory Purchases	4,409.87	0.00	0.00	0.00	0.00	4,409.87
Leases	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expenses	3,149.61	0.00	0.00	0.00	0.00	3,149.61
Payroll - Net	286,630.65	0.00	0.00	0.00	0.00	286,630.65
Printing/Postage	7,483.02	0.00	0.00	0.00	0.00	7,483.02
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees - Bankruptcy	0.00	0.00	0.00	0.00	0.00	0.00
Purchased Services	36,308.49	0.00	0.00	0.00	0.00	36,308.49
Refunds/Returns/Voided Payments	1,184.00	0.00	0.00	0.00	0.00	1,184.00
Rent	78,905.37	0.00	0.00	0.00	0.00	78,905.37
Rental Property Equipment	54,533.12	0.00	0.00	0.00	0.00	54,533.12
Repairs and Maintenance	536.69	0.00	0.00	0.00	0.00	536.69
Severance/Settlements/Relocation	0.00	0.00	0.00	0.00	0.00	0.00
Secured Creditor Payments	0.00	0.00	0.00	0.00	0.00	0.00
Supplies	806.63	0.00	0.00	0.00	0.00	806.63
Taxes Paid - Payroll	0.00	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	43,856.78	0.00	0.00	43,856.78
Travel and Entertainment	288,156.28	0.00	0.00	0.00	0.00	288,156.28
U.S. Trustee Quarterly Fees	0.00	0.00	0.00	0.00	0.00	0.00
Utilities/Telephone	7,006.29	0.00	0.00	0.00	0.00	7,006.29
TOTAL DISBURSEMENTS	1,384,821.01	0.00	46,995.20	0.00	0.00	1,431,816.21
NET CASH FLOW (Receipts Less Disbursements)	(707,905.47)	3.68	(18,444.50)	0.00	0.00	(726,346.29)
CASH - END OF MONTH	2,540,482.37	4,352.99	20,232.14	399,993.27	0.00	2,965,060.77
BANK RECONCILIATIONS						
	PNC Bank Acct #7647	PNC Bank Acct #8792	PNC Bank Acct #0228	PNC Bank Acct #2009	PNC Bank Acct #3829	Total
BALANCE PER BOOKS	2,068,432.55	4,352.99	20,232.14	399,993.27	0.00	2,493,010.95
BANK BALANCE	2,540,482.37	4,352.99	20,232.14	399,993.27	0.00	2,965,060.77
(+) DEPOSITS IN TRANSIT	0.00	0.00	0.00	0.00	0.00	0.00
(-) OUTSTANDING CHECKS	472,049.82	0.00	0.00	0.00	0.00	472,049.82
OTHER (ATTACH EXPLANATION)	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTED BANK BALANCE*	2,068,432.55	4,352.99	20,232.14	399,993.27	0.00	2,093,017.68
*Adjusted bank balance must equal balance per books.						
DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES						
TOTAL DISBURSEMENTS						
Less: Transfers						0.00
Plus: Estate Disbursements Made by Outside Source						0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES						0.00

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MOR-1a
DECLARATION REGARDING THE BANK RECONCILIATION

James Scott Shollenbarger, hereby declares and states:

I am the Chief Financial Officer for the above-captioned debtor. In this capacity, I am familiar with the day-to-day operations, business affairs and books and records.

Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge of the operations and finances of USA Gymnastics, information learned from my review. All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, or discussions with certain employees of the Debtor.

To the best of my knowledge, all of the Debtor's bank balances are reconciled in an accurate and timely manner.

Dated: February 18, 2019

/s/ James Scott Shollenbarger
James Scott Shollenbarger
Chief Financial Officer

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MOR-1b

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

[illegible]

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MOR-2
STATEMENT OF OPERATIONS

REVENUE		EXPENSES	
Marketing	\$43,595.08	Marketing	21,373.43
Events		Events	
American Cup		American Cup	3,476.44
Liukin Cup		Liukin Cup	
Jr Pan Ams		Pacific Rim	
Pacific Rim		Hosted World Champs	
Hosted World Champs		NCAA Championships-Men	
USA Championships		Jr Pan Ams	
Classic		Championships	(5,235.94)
NCAA Champs-Men		ART Championships	
USA Gym Champs		Trials	1,054.67
Olympic Trials		Cover girl Classic	
Post Olympic Tour		Other Qualifying Evts	
Other		General	31,511.47
		Post Olymic Tour	
		Total Marketing and Events	52,180.07
Total Marketing and Events	43,595.08		
Communications		Membership	659,465.39
Content		Congress	1,082.00
New Media	43,647.16	Education	28,103.19
Total Communications	43,647.16	Merchandising	(14,448.43)
		Safe Sport	100,506.34
Women	156,409.82	Total Member Services	774,708.49
Men	66,361.11		
T&T	65,000.00	Communications	10,577.36
RSG	49,304.77	Content	6,859.77
Sports Acro	40,490.00	New Media	34,354.28
Medical	9,257.63	Total Communications	51,791.41
Multi Disc Exp (incl Ranch)	150.00		
Gym for all	15.00	Women	349,654.08
Intl Relations		Men	124,947.65
Total Program	386,988.33	T&T	94,410.09
		RSG	35,763.16
Membership	1,102,037.16	Sports Acro	49,526.35
Congress	4,140.00	Multi Discipline	15,606.17
Education	74,658.79	Medical	16,215.27
Merchandising	28,561.60	Gym For All	2,957.13
Safe Sport		Total Program	689,079.90
Total Member Services	1,209,397.55		
		Intl Relations	6,618.21
Grant Inc-USOC and NGF	76,263.25		
Admin	55,078.33	Governance	7,947.18
Total Revenue	1,814,969.70	Admin	209,493.56
		Legal	(640.00)
		Total Admin	216,800.74
		Total Expenses	1,791,178.82
		TOTAL NET INCOME	23,790.88

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MOR-3
BALANCE SHEET

ASSETS

Current Assets	
Cash on hand	2,605,022.73
Short Term investments	1,874,921.58
Total Cash/Short Term Investments	4,479,944.31
Accounts Receivable	591,875.90
Prepaid Expenses	908,933.66
Inventory	122,211.15
Insurance Receivable	75,000,000.00
Total Current Assets	81,102,965.02
Furniture, Fixtures, and Equipment	
Property, Plant and Equipment	2,048,577.51
Accumulated Depreciation	(1,723,470.72)
Net Furniture, Fixtures, and Equipment	325,106.79
Total Assets	81,428,071.81

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	1,173,441.65
Due to State/Region Organizations	568,464.38
Contingent Liability	75,000,000.00
Accrued Payroll	348,153.61
Deferred Revenues	6,801,288.73
Total Current Liabilities	83,891,348.37
Net Assets	
Retained Earnings	(2,463,276.56)
Total Liabilities and Equity	81,428,071.81

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DECLARATION REGARDING STATUS OF POST PETITION TAXES

James Scott Shollenbarger, hereby declares and states:

I am the Chief Financial Officer for the above-captioned debtor. In this capacity, I am familiar with the day to day tax operations of USA Gymnastics.

Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge of the operations and finances of USA Gymnastics, information learned from my review of relevant documents and information that I have received from other members of management and/or the Debtor's advisors. I am authorized to submit this declaration on behalf of USA Gymnastics and, if I were called upon to testify, I could and would testify competently to the facts set forth herein. I submit this declaration under penalty of perjury pursuant to 28 U.S.C. Section 1746.

To the best of my knowledge, the Debtor has filed all necessary federal, state and local tax returns and made all required post-petition tax payments in connection therewith on a timely basis or have promptly remediated any late filings or payments that may have occurred due to unintentional oversights.

Dated: February 18, 2019

/s/ James Scott Shollenbarger
James Scott Shollenbarger
Chief Financial Officer

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SUMMARY OF UNPAID POSTPETITION DEBTS

Opening Balance:	\$ 102,553.04
PLUS: New Indebtedness Incurred This Month	\$ 499,117.71
MINUS: Amount Paid on Post Petition Accounts Payable This Month	\$ -
PLUS/MINUS: Adjustments	\$ -
Ending Month Balance:	<u>\$ 601,670.75</u>

Days Past Due					
Current	1-30	31-60	61-90	>91	Total
\$ 497,993.11	\$ 103,496.89	\$ 180.75	\$ -	\$ -	\$ 601,670.75
82.77%	17.20%	0.03%	0%	0%	100%

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Opening Balance:	\$	36,094.26
PLUS: Current Month New Billings	\$	565,239.55
MINUS: Collections During the Month	\$	(9,457.91)
PLUS/MINUS: Adjustments or Writeoffs	\$	-
Ending Month Balance:	\$	591,875.90

Post Petition Accounts Receivable Aging				
0-30 Days	31-60 Days	61-90 Days	>91 Days	Total
\$ 558,861.26	\$ 12,536.00	\$ 36.17	\$ 20,442.47	\$ 591,875.90
94.4%	2.1%	0.0%	3.5%	100%

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MOR-6
DEBTOR QUESTIONNAIRE

Must be completed each month		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2	Have any funds been disbursed from any accounts other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3	Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4	Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5	Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s).		X